

## INDO – US RELATIONS: THE WAY AHEAD

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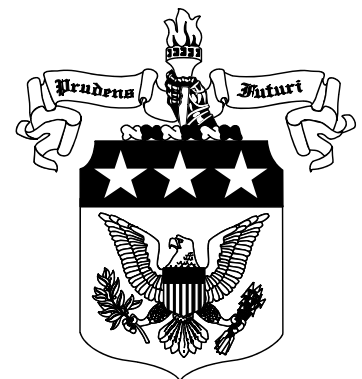
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# USAWC STRATEGY RESEARCH PROJECT

## **INDO – US RELATIONS: THE WAY AHEAD**

by

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## **ABSTRACT**

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After decades of regarding each other with suspicion, India and the US have moved rapidly from uneasy cooperation to incipient partnership. This fundamental shift in their relations has come about due to the change in the world order as a result of the end of Cold War, India's economic growth, Indian nuclear tests of 1998, and the 11 September 2001 terrorist attacks on the World Trade Center and Pentagon. Convergence of democratic values, vital national interests, common respect for individual freedom, rule of law, the importance of civil society and peaceful inter - state relations make India and the US “natural allies.” Even though both countries will continue to have differences in their strategic views, the dynamics of partnership remain strong. This SRP examines the history of their bilateral relations since its formative period and describes the positive transition that has led to the present relationship. It concludes that, while India and the US are formally expanding their strategic cooperation, the current results still fall short of the partnerships potential. Considerable work still needs to be done before this strategic partnership can become an undeniable success.



## INDO – US RELATIONS: THE WAY AHEAD

For over half a century, India and the United States - the world's largest two democracies with almost 20 percent of the global population - have had a difficult relationship. According to former US Deputy Secretary of State Strobe Talbot, the Indo - US relationship has been a victim of incompatible obsessions: India's with Pakistan and America's with the Soviet Union. Both were guilty of being on good terms with the other's principal enemy.<sup>1</sup>

Long considered a "strategic backwater" from the US perspective, South Asia has emerged in the 21<sup>st</sup> century as increasingly vital to core US foreign policy interests. From the US perspective, India's strategic location, coupled with its growing strength, makes India a potential mediator between the US and the radical forces in the Persian Gulf.<sup>2</sup> Likewise, India's strategic relevance in the Asia-Pacific region appears to increase in the estimate of the US as China grows in strength.<sup>3</sup>

The current Bush administration's changing perception of India's capabilities and the desire of both nations to work together for the maintenance of peace, security, and economic growth has prompted India and the US to move toward closer cooperation for a better future. During his March 2006 visit to New Delhi, President George W. Bush proclaimed:

India in the 21st century is a natural partner of the United States because we are brothers in the cause of human liberty. Yesterday, I visited a memorial to Mahatma Gandhi, and read the peaceful words of a fearless man. His words are familiar in my country because they helped move a generation of Americans to overcome the injustice of racial segregation. When Martin Luther King arrived in Delhi in 1959, he said to other countries, "I may go as a tourist, but to India, I come as a pilgrim." I come to India as a friend.



For many years, the United States and India were kept apart by the rivalries that divided the world. That's changed. Our two great democracies are now united by opportunities that can lift our people, and by threats that can bring down all our progress. The United States and India, separated by half the globe, are closer than ever before, and the partnership between our free nations has the power to transform the world.<sup>4</sup>

Until recently, India and the US, given their significant differences, were considered to be (in Dennis Kux's phrase) "estranged democracies."<sup>5</sup> But their recent agreement on civil nuclear technology, their common interest in defeating terrorism, their promotion of democracy, their improving economic ties, their common concern for health and the environment have transformed their relationship. India and the US have become engaged democracies.

Despite the upswing in their present relationship, it is necessary to understand their past relations which were on occasion friendly, sometimes hostile, but more often simply estranged. Both India and the US should attend the lessons of the past six decades if they are to forge a more constructive relationship in the years ahead.

#### Period of Estrangement - Cold War

During World War II, India felt abandoned by the US, especially after President Franklin Roosevelt refused in August 1942 to acknowledge the Quit India movement despite earlier US insistence on including the "right of self determination" as an element of the Atlantic Charter. For a long time thereafter, the US remained unwilling to press the British to make further political concessions to enable India to gain its independence.<sup>6</sup> Indeed the priorities of both countries differed: While India's top priority was to gain independence, the US focused on winning the war. The Indian independence movement placed US in a dilemma that challenged their idealism,

political activism, and diplomatic skill.<sup>7</sup> Even though both countries wanted the other's support, the course of events during the war began the long estrangement process that considerably alienated the two countries.

The first seeds of distrust and misunderstanding between the two countries arose over the Kashmir issue. The US paid little attention to the dramatic events in the subcontinent as India and Pakistan were emerging as independent nations in 1947, focusing instead on shaping its own policy of containment of communism.<sup>8</sup> When India decided to pursue a policy of non - alignment, which meant that it would not join military alliances with either of the two superpowers, it was called "immoral and short sighted" by US Secretary of State John Foster Dulles.<sup>9</sup> The US did not respect India's effort to follow a path between the Western democratic and Communist totalitarian camps. With the US Joint Chief of Staff's claim that India was strategically irrelevant for the US, the US ally of choice in the region became Pakistan. When Pakistan was subsequently admitted to CENTO and SEATO, the political distance between Delhi and Washington continued to grow. Thus Indo - US relations got off to a rocky start in the early years of India's independence.

In the early 1950s, relations with South Asia did not rank high on the US foreign policy agenda. While India favored a minimal superpower presence in the region, the US turned to its ally in South Asia, Pakistan. In its decision to arm Pakistan in 1954, the US thought it was taking an important step in advancing its policy of containment of Communism. But this US support of Pakistan also served as a rebuke to India for its neutralist approach and habitual chronic moralizing about US foreign policy.<sup>10</sup>

Clearly, there were several basic differences driven by different cultural backgrounds, different internal and external circumstances and different interests in how common diplomatic and military issues were addressed by the Indian and US democracies. Such differences profoundly influenced the two countries' security and foreign policy strategies, as well as the attitudes of the political elites in both the nations.<sup>11</sup> To offset US arms aid to Pakistan, India edged closer to the Soviet Union with Indo - US relations sinking to a new low during President Eisenhower's first term in the White House.

In October 1962 China attacked India, quickly overcoming the ill - equipped Indian Army. Prime Minister Nehru appealed to the US for arms, especially aircrafts and air defense equipment. However, the US provided only light arms, limited airlift support (incurring casualties while doing so), ammunition, and some communications equipment.<sup>12</sup> The reluctance of US to provide substantial military hardware did not help to improve ties, especially since US long - term military aid to Pakistan seemed to complicate the Kashmir dispute.

US policy during India's 1965 war with Pakistan pleased neither India nor Pakistan. The Indians were angry that the US failed to prevent the use of US arms against them despite repeated promises to do so. The US attempt to maintain an even - handed approach of placing an arms embargo on both countries and denying economic assistance to both countries also irked India, because there was little doubt that Pakistan had started the war by launching Operation Gibraltar, a gamble to seize Kashmir. Then in 1968, India refused to sign the Nuclear Non - Proliferation Treaty (NPT), which heightened US concerns about nuclear proliferation in South Asia.<sup>13</sup>

US reluctance to supply India with weapons and defense technology simply strengthened Indo - Soviet relations, as the Soviets offered India political, military, and economic support. Further, increasing Soviet friction with China also supported strengthening of relations between India and the USSR, particularly in the sphere of military cooperation. India and the Soviet Union signed a peace and friendship treaty in 1971 which gave India greater diplomatic and military freedom to counter Pakistan. The 1971 dispatch of the *USS Enterprise* naval group to the Bay of Bengal during the Bangladesh crisis was clearly interpreted at best as a US tilt towards Pakistan, and caused the Indo - US bilateral relations to plunge to its nadir.<sup>14</sup>

In the wake of the Bangladesh crisis and to address its security concerns and threats, India conducted a peaceful nuclear explosion (PNE) on 18 May 1974 to the utter surprise of US and the world. India's nuclear tests hastened the 1974 establishment of Nuclear Suppliers Group and the 1978 enactment of the US Nuclear Non - Proliferation Act.<sup>15</sup>

### Period of Transformation – Post Cold War

Prior to the end of Cold War, India and the US made several attempts to improve their relations. The Reagan administration sought to wean India away from its military dependence on Soviet Union with the promise of expanded technological cooperation. A 1985 MOU on transfer of technology and the 1991 Kicklighter proposals, which outlined “a minimum strategic vision,” paved the way for the “Agreed Minute of Defense Cooperation” signed during US Defense Secretary William Perry's 1985 visit to India.<sup>16</sup>

The fall of the Berlin Wall and the end of the Cold War freed both India and the US from the confines of their past differences. In 1991, recognizing that India's economy

was in crisis, Prime Minister Narasimha Rao carried out a series of structural and market reforms called “The Big Bang;” these measures relaxed previous obstacles to foreign investment in the country and rejuvenated the economy. Opening the Indian economy accorded with President Clinton’s second - term policy to promote stability, market democracies, and economic interests and to prevent proliferation of nuclear weapons.<sup>17</sup>

However, the indefinite extension of the NPT in 1995 and the Comprehensive Test Ban Treaty (CTBT) debate in 1996 in Geneva revived past Indo - US differences regarding their positions on the issue of nuclear non - proliferation and the test ban. The Treaties’ provisions were unacceptable to India, which felt that its national security would remain vulnerable to both military threats and political blackmail through its exclusion from the nuclear club, while the existing members and their allies would continue to enjoy the unhindered protection of nuclear weapons.<sup>18</sup> India simply did not believe a flawed non-proliferation regime would assume global peace and stability, and so India assumed responsibility for its own national security by refusing to enter into non - proliferation accords and by developing its own nuclear capability demonstrated in 1998.

#### Recognition of India – Rapprochement in Relations

The US felt deceived by India’s decision to go nuclear at a time when non - proliferation was high on its foreign policy agenda. Washington’s intention to react strongly was clearly evident in President Clinton’s 12 May 1998 statement.<sup>19</sup> The Clinton administration slapped punitive sanctions on India and took the lead in condemning India in the forums of the UN Security Council and the G-8.

From India's nuclear defiance emerged the most intense, most serious, and most extended set of exchanges between the two countries. Dialogue between India's Foreign Minister Jaswant Singh and Under Secretary of State Strobe Talbot extended over two - and - a - half years in fourteen sessions in seven countries. These exchanges helped to clear many of the past misunderstandings and made Washington aware of India's national and global aspirations and its rationale for the nuclear tests. In Talbot's words," India had put on notice that it was now unambiguously, unapologetically and irrevocably, a nuclear armed power"<sup>20</sup>. Talbot's negotiations with Jaswant Singh were Washington's first truly sustained strategic engagement with the Indian government. While Jaswant Singh and Strobe Talbot were engaged in intensive official dialogue, the Government of India sent many individual delegates bearing high credentials to reach out to the Administration as well as the wider US public to fully explain India's security concerns. The focus thereafter shifted from nuclear non - proliferation to nuclear stability, to concepts of nuclear deterrence, to trade and commerce, to energy security, to fighting international terrorism, to promoting democratic values, and to improving governance. India's potential as a future power, with its considerable economic and market potential and its capability to contribute to world peace and security, was fully acknowledged through persistent and focused Track I and Track II diplomacy.<sup>21</sup>

Pakistan's Kargil misadventure of intruding into Indian territory in 1999, followed by Musharraf's military coup d'état in Pakistan (the first in a nuclear armed nation) validated India's concerns over its volatile western neighbor. President Clinton's personal intervention in the Kargil escalation greatly impressed India and paved the way for building a new level of political confidence between the two countries.<sup>22</sup> His visit to

India in March 2000 reflected the common desire of both countries to move towards a “forward looking” and “politically constructive” partnership. Although Clinton laid the foundation for transforming Indo-US relations, it was President George W Bush who converted the Clinton policy into a spectacular success.

President Bush’s effort addressed three issues. First, he did not perceive India as a lesser prize than China, but considered India as a counterweight against China. Second, he accorded its rightful place in the world order. Condoleezza Rice proclaimed that the US would facilitate India’s quest for global status. Finally, Bush was offering more than a hand of friendship; he actively sought to make India a strategic partner of the US.<sup>23</sup> This truly was a new beginning.

The terrorist attacks of 11 September 2001 on the World Trade Center and the Pentagon aligned India and the US in the war against terrorism. India offered full support to the US, including basing rights; however, these attacks also brought Pakistan back to center stage due to its proximity to Afghanistan, which disconcerted India. As Pakistan became an intimate ally of the US in the “war on terror,” designated as “Major Non NATO Ally” (MNNA) and received extended military assistance, India chose to keep a low profile.<sup>24</sup> To its credit, the Bush administration refused to return to the zero - sum game of the Cold War in its relations with the sub continental rivals and persisted with solid engagement with India.

India’s concerns about terrorism were dramatized when the Indian Parliament was attacked on 13 December 2001 by members of the Pakistani based Lashkar - i - Taiba.<sup>25</sup> The heightened tensions between India and Pakistan were then diffused by US intervention: The US urged restraint on the part of India and placed extremist groups

Lashkar - i - Taiba and Jaish- e - Mohammed on the State Departments list of Foreign Terrorist Organizations (FTO's) and froze their assets in the US.<sup>26</sup>

### Strategic Relationship and Convergence of Interests

Since the 9/11 attacks there has been a fundamental change in the US relationship with India. There have been important shifts in US thinking, largely in response to India's rising geopolitical importance, to its abundant market opportunities, and to its role in ensuring power equilibrium in Asia.<sup>27</sup>

Defining the contours of the strategic partnership, the Bush administration's National Security Strategy of 2006 declared that "India is a great democracy, a major power that shares commitment to freedom, democracy, and rule of law." It further acknowledges that India is now poised to shoulder global obligations in cooperation with the US. As their mutual strategies converge, India and the US should address common issues simultaneously, such as promoting effective democracies, expansion of free market reforms, diversifying global resources of energy, enhancing security and winning the War on Terror.<sup>28</sup> India shares the same interests as the US in maintaining stability in Middle East, and in South and Central Asia - and especially in combating the global scourge of terrorism.<sup>29</sup>

The emergence of globalization as a defining feature of the strategic environment has enabled the US to understand that it needs like minded global allies to succeed in responding to threats in an increasingly interdependent world.<sup>30</sup> Demographic changes and migration patterns; natural resources such as energy and water; climate change; drug trafficking, international flow of diseases, funds, and WMD - all of these pose



challenges that transcend national boundaries. In such a radically altered global landscape, the basic interests of both India and US have increasingly converged.<sup>31</sup>

It is now quite evident that, even though the US is the world's sole superpower, it definitely needs suitable partners across the globe especially in the Asian region. The nature of the threats facing the US is such that superior military power alone is not adequate to deal with every situation confronting it. In a world of "rising powers" India is well placed to be a partner with the US.

Both the US and India have common interests in the future of China on the global scene. China has proliferated missile and nuclear technology to Pakistan and continues to be a major source of weaponry for that country. Further, India is deeply concerned about China's "string of pearls" policy of setting up military and naval facilities in South Asia, especially in Myanmar and Pakistan. The US is concerned that China may not play the international game according to the rules since it does not subscribe to democracy. Accordingly, the US initiative to support India's development as a world class power is designed to build a balance of power in Asia.<sup>32</sup> In the long term it would be prudent for both the US and India to strengthen relations with Japan and other countries of South East Asia in order to create structural constraints which may discourage China from abusing its growing regional power.<sup>33</sup>

The 18 July 2005 joint statement of President Bush and Prime Minister Manmohan Singh was a historic event. Politically, the agreement marks the most significant and far reaching Indian diplomatic venture. It recognizes India as a de facto nuclear power, clears the way for it to become a global power, and strengthens India's claims for permanent membership in the United Nations Security Council. From the economic

point of view, it removed three decades of technological sanctions and offered multi layered cooperation with the world's most powerful democracy. Most importantly, it broadened the energy options for India and projected nuclear energy as a viable source of power for its expanding economy. Finally, in strategic terms the agreement has given India global leverage as a partner of the US, especially in ensuring India's security in a volatile neighborhood.<sup>34</sup>

In the past 17 years, India has lost more people to jihadi terrorists than any other country in the world. The spread of radical Islam is perilous in India, which has the second largest Muslim population in the world. Because of cross border terrorism, India remains an inviting target for terrorists and their supporters in governments that view India as an oppressor of its Muslim population. Thus India is totally committed to eliminate this threat in order to ensure stability within its own country and in the region. However, there are fundamental differences over what terrorism means to the US and to India. Despite these differences, mutual cooperation in countering terrorism has now brought a fair level of understanding and collaboration in intelligence sharing, counter terrorist training, cyber security and ways to disrupt terrorist funding.<sup>35</sup>

The US and India share a vital interest in the Greater Middle East, which stretches from the Persian Gulf to Pakistan. This region is the nexus of energy, weapons of mass destruction, and Islamic extremism. India can play an increasingly influential role in this region due to its ancient links to the region; commercial connections; presence of a large Indian population in the Persian Gulf; and cordial relations with both Iran and Iraq. India understands the consequences of an American defeat in Iraq, which would bolster Islamic terrorism everywhere, including India.<sup>36</sup>

Since 9/11, the world has acknowledged that there is a link between terrorism and undemocratic nations. Just as the US is making promotion of democracy a strategic national objective, India too has begun to identify itself in terms of democracy, replacing its traditional identity as an anti - imperialist nation. Indian democracy is sustaining a heterogeneous, multi - cultural, multi - ethnic, multi - lingual, and secular society.<sup>37</sup> This convergence of the two countries identities reflected in their joint declaration on a global democracy initiative by President Bush and Prime Minister Manmohan Singh on 18 July 2005 and their joint support for the UN Democracy Fund in September 2005.

Arresting the spread of WMD and related technologies to other countries and sub national entities is a common interest of the US and India. Since India is a primary target of jihadi ideology, New Delhi and Mumbai are prime candidates for an Islamist terrorist WMD attack.<sup>38</sup>

In their quest for energy security, both the US and India share a keen interest in developing ties with the Caspian Sea region to diversify sources of oil and natural gas. . Currently, India relies on the Persian Gulf for 75 percent of its oil supply, while the US imports 25 percent from the same region. India has supported the creation of an “Asian energy grid” and recently persuaded Bangladesh to participate in a natural gas pipeline from Myanmar to India. While India’s quest to build the Iran - Pakistan - India liquid natural gas pipeline has irked the US, arguments can be made that the pipeline serves larger interests by providing needed revenue for Pakistan and extending potential Indian leverage with Iran.<sup>39</sup> India’s blue water Navy can provide protection of sea lanes of communication in the Indian Ocean thereby maintaining maritime order and responding to natural disasters.

The US and India share a particular interest in maintaining strategic stability in South Asia. Their interest lies in defeating Taliban and Al Qaeda in Afghanistan, while supporting its fledgling democracy. India is taking active part in Afghanistan's reconstruction in order to stabilize that troubled country. In Sri Lanka, both the US and India have called for a political settlement with the Tamil minority through a power sharing agreement. In Bangladesh and Nepal, both the US and India have called for the restoration of democracy.

In the economic field, India has transformed itself into a modern economy that can match its foreign policy ambitions. In the past few years, India's share of US trade has grown six - fold, reaching \$ 32 billion in 2006. The US is well aware of the economic predictions of Indian prosperity; it is not willing to lose India's huge market potential.

Defense cooperation between the US and India has been nothing short of dramatic, given their history of mutual acrimony and distrust. Under the "Agreed Minute on Defense Relations" of January 1995, the Defense Policy Group (DPG), Joint Technical Group (JTG) and Joint Steering Committee (JSC) were established to foster the defense relationship.<sup>40</sup> However, objections on nuclear non - proliferation then inhibited any significant expansion of defense cooperation on dual - use technology transfers. But the Bush administration took a more pragmatic and measured view of India's nuclear and ballistic missile programs especially when India endorsed the US plan to withdraw from the 1972 Anti- Ballistic Missile Treaty in order to pursue the development of National Missile Defense.<sup>41</sup> This new willingness of both sides to pursue a non - ideological approach to bilateral relations opened the path to greater security cooperation.

On 28 June 2005 both countries signed the “Defense Framework Agreement” to solidify their strategic relationship. This accord defines the parameters of mutual strategic cooperation for the next 10 years. It provides for:

- Collaboration in multilateral operations to include the conduct of joint and combined exercises.
- Expansion of two way defense trade.
- Increasing opportunities for technological transfers and co production.
- Expanded collaboration in missile defense.
- Establishment of a bilateral Defense Procurement and Production Group.

Other important recent issues include Mutual Legal Assistance Treaty, India's inclusion as a full partner in the ambitious multinational “International Thermonuclear Experimental Reactor Energy Project,” and the Civil Nuclear Agreement. Given these agreements and on - going initiatives, it is little wonder that the US now considers India as a “natural ally.”<sup>42</sup>

### Outstanding Differences

The current period of bilateral relations can best be described as a phase of transition towards a strategic partnership. However, there are still outstanding issues which, if not addressed, may hinder the transition and may even threaten the very concept of partnership.

The historical legacy of suspicion and mistrust still remains among the nations' bureaucracies, political leaders, and civil servants. This is a residual mindset of the Cold War years. “Old timers” resent what they perceive as overbearing policies from abroad. India has its own perspective, based largely on its geographic location. In the absence

of a national consensus, some Indian groups will offer stiff political opposition at every step of the road towards the strategic partnership with the US.

While there seems to be a significant overlap between the national interests and priorities of India and the US, they are far from identical. Perhaps the most important major difference in perceptions and expectations concerns Pakistan.<sup>43</sup>

- The US has labeled Pakistan as a Major Non - NATO Ally and views it as a key frontline state in the war on terror in March 2004. India continues to view Pakistan as, at best, an unstable and erratic neighbor and, at worst, as a radical revisionist power. The current US policy of maintaining equal friendship with Pakistan and India still smacks of a double standard for India. Proclaiming India as a strategic partner and Pakistan a MNNA may be clever diplomacy, but it does not inspire trust in India.<sup>44</sup> India's views were substantiated with former Prime Minister Benazir Bhutto's assassination on 27 December 2007.
- There is a strong interest in both India and the US in "dehyphenating" India and Pakistan. For the US, this separation means viewing India more as a country in its own right and not simply within the broader context of South Asian security issues. On the other hand, India seeks to get beyond the issue with Pakistan as it thinks globally and aspires to a greater role in world affairs.
- There remain fundamental differences on the issue of terrorism - differences in defining the threat within the global and regional contexts, and divergent views on the roots of terrorism. India fears that the aggressive US prosecution of the Global War on Terror might destabilize the Gulf and create wider regional disturbances.

- Differences exist on the perception of India's relation with Iran. US pressure on India to abandon the Iran - Pakistan - India gas pipeline creates suspicion that the US seeks to keep India tied down to traditional sources of energy supplies where US interests rule supreme.<sup>45</sup>

The civilian nuclear agreement, which was considered historic in nature, transformed India overnight from a target of the international non - proliferation regime to a stakeholder in it. However, within India, the influential communist parties (whose Left Front provides crucial support to the Congress - led ruling coalition) viewed the agreement as a sell - out to the US and as a detriment to India's independent foreign policy. The Indian scientific community also voiced their concerns about the likely implications of giving up the option to carry out tests in the future because of unanticipated contingency could necessitate more tests.<sup>46</sup> Although ongoing dialogue is continuing with IAEA, full implementation of the deal has been put on hold pending a debate in the Parliament and until such time as the United Progressive Alliance - Left Committee reports its findings on the issue.

### The Way Ahead

The two largest democracies of the world, India and US, are natural allies. Over the years the relations between the two countries have blossomed. It is important that these relations continue to develop to ensure a closer partnership. Yet several issues still need to be addressed; there is still room for improvement.

India must carefully assess its own national objectives and pursue them with vigor. Among other things, this will require a less reactive foreign policy. India should take the lead in offering viable solutions to problems facing the sub - continent, rather than

responding to or opposing the others' initiatives.<sup>47</sup> Indian leaders must understand that it is not ideology, but perceptions of mutual interests, which should guide the relations between two countries. They must realize that the issue is not what India or US can do for each other, but what both countries can do together bilaterally for their mutual benefits.<sup>48</sup>

Following 9/11, the world has acknowledged the link between terrorism and undemocratic nations. Accordingly, the US appears to have become more committed than ever to the promotion of democracy as a means of stabilizing the international environment. India concurs on this long term objective, but with some skepticism about US sincerity. The skepticism relates to Pakistan, where the US has repeatedly supported military regimes during the last five decades. India feels that the US has often seemed to prefer dealing with military dictators than with democratically elected governments to serve its strategic requirements. So US tactical decision - making often does not reflect a commitment to democratic values.<sup>49</sup> Indeed future efforts to promote democracy will require new ways of thinking, and both countries will need to make some tough choices commensurate with their global responsibilities.

As the US makes parallel overtures to both China and India, it needs to understand the subtle dynamics underlying such initiatives. The US sees India as an ally that balances China, but the US must appreciate that Sino - Indian trade is increasing and that Sino-Indian relations are a principal vehicle for changing Chinese behavior and calculations in the long run.<sup>50</sup> India has its own interest in resolving its long standing bilateral problems, such as the boundary dispute with China. During Chinese Premier Wen Jiabao's visit to India, Prime Minister Manmohan Singh declared that



“India and China can together reshape world order.” So both India and China have much to gain from developing stronger economic and political ties multilaterally around the region. Even so, India and the US should be looking for ways to expand their defense and security cooperation to ensure a stable balance of power in Asia.<sup>51</sup> But the US should not expect India to isolate China.

Myanmar, Iran, Iraq, and Pakistan are critical nations where the strategic interests of India and the US do not overlap. India’s desire to diversify its sources of energy and its concern about Chinese activities in the Indian Ocean have led it to make overtures to the military junta in Myanmar, in contrast to the hard line the US has maintained. Similar differences have come up over Indian oil deals in Sudan and Nigeria. Growing energy needs, domestic exigencies in the Middle East, and the Iranian issue are all contributing factors for ongoing differences between India and the US.<sup>52</sup> Although India needs energy from the Middle East to propel its economic growth, these countries (including Iran) also need to find markets for their abundant energy resources. India’s challenge is therefore two - fold: convincing the US of India’s own Middle East concerns and explaining to the Middle East how its close ties with the US forms a part of its global strategy. Currently, India’s performance on both challenges is unsatisfactory. Unless this is remedied quickly, doubts will persist over whether India will prove to be a “reliable” friend of the US.

The nexus between transnational terrorism and WMD and the possibility of weapon transfers to the states that resort to terrorism pose a great danger to mankind. Both the causes of terrorism and the solutions to the terrorist threat must be understood in the overall context of the global strategic environment. In such a complex scenario,

we all need a better understanding of one another's sensitivities while considering policy options, rather than focusing on the narrower issue of terrorism's impact on Indo - US relations. India is certainly concerned about Pakistan's stability. India believes the region stretching from Iraq through Iran, Afghanistan, and Pakistan has become a "belt of terror". India depends on a stable Pakistan as its bridge to the energy supplies from Iran and the Persian Gulf.<sup>53</sup> Indian - US parleys should therefore address how both countries can collaborate with Pakistan for its transformation into a stable and moderate state.

Indo - US defense cooperation has the implied objective of developing into a professional military collaboration that could include interoperable systems. While India and US gain valuable lessons from joint exercises, peace keeping operations, humanitarian assistance/ disaster relief, high altitude operations, search and rescue missions, jungle warfare, counter terrorism, air combat and submarine warfare, there have been less impressive results in matters of sales of major combat systems, bilateral defense industrial collaboration and combined military operations.<sup>54</sup> The traditional reluctance of the US to license the latest military technology to India for fear of undermining the regional military balance with Pakistan, combined with India's worries about its suppliers reliability, has prevented defense trade from expanding as much as military to military cooperation. The US must consider opening up licensing co - production of such items and sharing additional military hardware.

Although very few in the US cite Central Asia and Afghanistan as an important area of India - US military cooperation, Indian strategic thinkers view it as a key convergence of their interests. Terrorism, energy exploration and supply, relations with

Russia and Iran, proliferation of WMD, and drug smuggling are all Central Asian issues. Cooperation on these issues could have a stabilizing effect on the region.<sup>55</sup>

Climate change is another area where both countries need to work together. Given its rapid pace of development, India is likely to join US and China as the largest emitters of greenhouse gasses in the world. Even with clean nuclear energy in the future, India will still require additional energy sources to fuel its growth. Business leaders, scientists and engineers from both the countries must become partners in development in clean energy technologies to address this critical challenge.<sup>56</sup>

For India to derive full benefits of “The Civil Nuclear Agreement,” it is imperative that it overcomes the current domestic political logjam at the earliest. India’s leaders must find suitable middle ground and accelerate the discussions for mutual adjustments before the forthcoming elections in both the countries. A new US administration may not choose to pursue the initiatives of the current Bush administration - initiatives that have certainly fostered a closer relationship with India.

As India and the US look ahead to a new kind of partnership, it should not be forgotten that the breakthrough in relations was achieved initially by the private sector. The strength of private sector engagement ensures that the change is real and enduring.<sup>57</sup> Additionally, both countries must consider a free - trade agreement, because it would function as an effective structural device through which the US could further the growth of Indian power through market mechanisms rather than centralized direction. Such an agreement greatly benefits India insofar as it would enable India to exploit gains in trade while serving as “an effective mechanism for locking in reform policies,

mobilizing domestic political support for liberalization, and spurring additional trade liberalization both multilaterally and bilaterally.”<sup>58</sup>

India is seeking a more prominent and influential role in global affairs, one commensurate with its vast size, economic dynamism, and rich heritage. An important part of India’s vision is gaining a permanent seat in the United Nations Security Council. Though historically India has opposed the US in important United Nations votes, today the US has hardly a better ally to promote democracy, secular governance, pluralism, and the rule of law. Because the United Nations Security Council seat is important for India, it expects that US will support this effort. For the US, however, this is part of a much larger issue about major institutional reform of the United Nations. So the US must assess the other candidates seeking permanent membership.<sup>59</sup>

## Conclusion

The content of the current Indo-US dialogues and exchanges are indicative of a constructive and robust bilateral engagement, portending a genuine partnership based on overlapping national interests. The shift in US policies from non proliferation to trade and commerce, to countering terrorism, to energy security, to regional security and stability, to a balance of power, and to promoting democracy has bridged the gap between the world’s largest and oldest democracies.

India’s diplomatic efforts in the recent past aided by its de facto nuclear status and coupled with its economic potential, signals its emergence as a rising power in Asia. India’s progress has been recognized by the world in general and the US in particular. To fulfill its global aspirations, India will continue to rely on US support based on mutual trust, shared values, and similar strategic views. The US, for its part, is likely to increase

its appreciation of a strong partnership with a democratic and rapidly developing India in a world in which Asian power equations are likely to influence global developments.

### Endnotes

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<sup>18</sup> TV Paul, “*The Systemic Basis of India’s Challenge to the Global Nuclear Order*”, *The Non-Proliferation Review*, Fall 1998, 1-11.

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